

AN ACT

relating to the Dallam-Hartley Counties Hospital District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1018.061, Special District Local Laws Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) Except as provided by Section 1018.0615, the [The] board may delegate to the district administrator the authority to hire district employees, including technicians and nurses.

(d) The board may employ physicians, but only as provided by Section 1018.0615. The board may employ other health care providers as the board considers necessary for the efficient operation of the district.

SECTION 2. Subchapter B, Chapter 1018, Special District Local Laws Code, is amended by adding Section 1018.0615 to read as follows:

Sec. 1018.0615. EMPLOYMENT OF PHYSICIANS. (a) The board may employ a physician and retain all or part of the professional income generated by the physician for medical services provided at a hospital or other health care facility owned or operated by the district if the board satisfies the requirements of this section.

(b) The board shall:

(1) appoint a chief medical officer for the district;

and

1           (2) adopt, maintain, and enforce policies to ensure  
2 that a physician employed by the district exercises the physician's  
3 independent medical judgment in providing care to patients.

4           (c) The policies adopted under this section must include:

5               (1) policies relating to:

6                   (A) credentialing;

7                   (B) quality assurance;

8                   (C) utilization review;

9                   (D) peer review; and

10                  (E) medical decision-making; and

11           (2) the implementation of a complaint mechanism to  
12 process and resolve complaints regarding interference or attempted  
13 interference with a physician's independent medical judgment.

14           (d) The policies adopted under this section:

15               (1) must be approved by the chief medical officer of  
16 the district; and

17               (2) shall prevail over a conflicting policy of the  
18 district.

19           (e) For all matters relating to the practice of medicine,  
20 each physician employed by the board shall ultimately report to the  
21 chief medical officer of the district.

22           (f) The chief medical officer will report immediately to the  
23 Texas Medical Board any action or event that the chief medical  
24 officer reasonably and in good faith believes constitutes a  
25 compromise of the independent medical judgment of a physician in  
26 caring for a patient.

27           (g) The board may not delegate to the district administrator

1 the authority to hire a physician.

2       (h) This section may not be construed as authorizing the  
3 board to supervise or control the practice of medicine as  
4 prohibited under Subtitle B, Title 3, Occupations Code.

5       SECTION 3. Section 1018.161, Special District Local Laws  
6 Code, is amended to read as follows:

7       Sec. 1018.161. GENERAL AUTHORITY TO BORROW MONEY; SECURITY.

8 (a) The board may borrow money at a rate [~~for district operating~~  
9 ~~expenses in an amount~~] not to exceed the maximum annual percentage  
10 rate allowed by law for district obligations at the time the loan is  
11 made [~~amount of tax or other revenue the district expects to receive~~  
12 ~~during the fiscal year in which the money is borrowed~~].

13       (b) To secure a loan, the board may pledge:

14               (1) district revenue that is not pledged to pay the  
15 district's bonded indebtedness;

16               (2) a district tax to be imposed by the district during  
17 the 12-month period following the date of the pledge that is not  
18 pledged to pay the principal of or interest on district bonds; or

19               (3) district bonds that have been authorized but not  
20 sold.

21       (c) A loan for which taxes or bonds are pledged must mature  
22 not later than the first anniversary of the date the loan is made. A  
23 loan for which district revenue is pledged must mature not later  
24 than the fifth anniversary of the date the loan is made [~~To repay~~  
25 ~~the debt, the district may pledge all or part of the tax or other~~  
26 ~~revenue received during the fiscal year in which the board borrows~~  
27 ~~money under this section~~].

SECTION 4. Subchapter E, Chapter 1018, Special District Local Laws Code, is amended by adding Sections 1018.209 and 1018.210 to read as follows:

Sec. 1018.209. ADDITIONAL MEANS OF SECURING REPAYMENT OF BONDS. In addition to the authority to issue general obligation bonds and revenue bonds under this subchapter, the board may provide for the security and payment of district bonds from a pledge of a combination of ad valorem taxes as authorized by Section 1018.202 and revenue and other sources authorized by Section 1018.206.

Sec. 1018.210. USE OF BOND PROCEEDS. The district may use the proceeds of bonds issued under this subchapter to pay:

(1) any expense the board determines is reasonable and necessary to issue, sell, and deliver the bonds;

(2) interest payments on the bonds during a period of acquisition or construction of a project or facility to be provided through the bonds, not to exceed five years;

(3) costs related to the operation and maintenance of a project or facility to be provided through the bonds:

(A) during an estimated period of acquisition or construction, not to exceed five years; and

(B) for one year after the project or facility is acquired or constructed;

(4) costs related to the financing of the bond funds, including debt service reserve and contingency funds;

(5) costs related to the bond issuance;

(6) costs related to the acquisition of land or

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S.B. No. 310

1 interests in land for a project or facility to be provided through  
2 the bonds; and

3 (7) costs of construction of a project or facility to  
4 be provided through the bonds, including the payment of related  
5 professional services and expenses.

6 SECTION 5. Chapter 1018, Special District Local Laws Code,  
7 is amended by adding Subchapter G to read as follows:

8 SUBCHAPTER G. DISSOLUTION

9 Sec. 1018.301. DISSOLUTION; ELECTION. (a) The district  
10 may be dissolved only on approval of a majority of the district  
11 voters voting in an election held for that purpose.

12 (b) The board may order an election on the question of  
13 dissolving the district and disposing of the district's assets and  
14 obligations.

15 (c) The board shall order an election if the board receives  
16 a petition requesting an election that is signed by at least 15  
17 percent of the registered voters in the district.

18 (d) The order calling the election must state:

19 (1) the nature of the election, including the  
20 proposition to appear on the ballot;

21 (2) the date of the election;

22 (3) the hours during which the polls will be open; and

23 (4) the location of the polling places.

24 (e) Section 41.001(a), Election Code, does not apply to an  
25 election ordered under this section.

26 Sec. 1018.302. NOTICE OF ELECTION. (a) The board shall  
27 give notice of an election under this subchapter by publishing once

1 a week for two consecutive weeks a substantial copy of the election  
2 order in a newspaper with general circulation in the district.

3 (b) The first publication of the notice must appear not  
4 later than the 35th day before the date set for the election.

5 Sec. 1018.303. BALLOT. The ballot for an election under  
6 this subchapter must be printed to permit voting for or against the  
7 proposition: "The dissolution of the Dallam-Hartley Counties  
8 Hospital District."

9 Sec. 1018.304. ELECTION RESULTS. (a) If a majority of the  
10 votes in an election under this subchapter favor dissolution, the  
11 board shall find that the district is dissolved.

12 (b) If a majority of the votes in the election do not favor  
13 dissolution, the board shall continue to administer the district  
14 and another election on the question of dissolution may not be held  
15 before the first anniversary of the date of the most recent election  
16 on the question of dissolution.

17 Sec. 1018.305. TRANSFER OF ADMINISTRATION OF ASSETS.  
18 (a) If a majority of the votes in the election held under this  
19 subchapter favor dissolution, the board shall:

20 (1) transfer the land, buildings, improvements,  
21 equipment, and other assets that belong to the district to Dallam  
22 County or Hartley County or another governmental entity in Dallam  
23 County or Hartley County; or

24 (2) administer the property, assets, and debts until  
25 all money has been disposed of and all district debts have been paid  
26 or settled.

27 (b) If the district makes the transfer under Subsection

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S.B. No. 310

1 (a)(1), the county or entity assumes all debts and obligations of  
2 the district at the time of the transfer, and the district is  
3 dissolved.

4 (c) If Subsection (a)(1) does not apply and the board  
5 administers the property, assets, and debts of the district under  
6 Subsection (a)(2), the district is dissolved when all money has  
7 been disposed of and all district debts have been paid or settled.

8 Sec. 1018.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
9 TAXES. (a) After the board finds that the district is dissolved,  
10 the board shall:

11 (1) determine the debt owed by the district; and

12 (2) impose on the property included in the district's  
13 tax rolls a tax that is in proportion of the debt to the property  
14 value.

15 (b) On the payment of all outstanding debts and obligations  
16 of the district, the board shall order the secretary to return to  
17 each district taxpayer the taxpayer's pro rata share of all unused  
18 tax money.

19 (c) A taxpayer may request that the taxpayer's share of  
20 surplus tax money be credited to the taxpayer's county taxes. If a  
21 taxpayer requests the credit, the board shall direct the secretary  
22 to transmit the money to the appropriate county tax  
23 assessor-collector.

24 Sec. 1018.307. REPORT; DISSOLUTION ORDER. (a) After the  
25 district has paid all district debts and has disposed of all  
26 district money and other assets as prescribed by this subchapter,  
27 the board shall file a written report with the Commissioners Courts

1 of Dallam and Hartley Counties summarizing the board's actions in  
2 dissolving the district.

3 (b) Not later than the 10th day after the date the  
4 Commissioners Court of Dallam County receives the report and  
5 determines that the requirements of this subchapter have been  
6 fulfilled, the commissioners court shall enter an order approving  
7 dissolution of the district and releasing the board from any  
8 further duty or obligation as to Dallam County.

9 (c) Not later than the 10th day after the date the  
10 Commissioners Court of Hartley County receives the report and  
11 determines that the requirements of this subchapter have been  
12 fulfilled, the commissioners court shall enter an order approving  
13 dissolution of the district and releasing the board from any  
14 further duty or obligation as to Hartley County.

15 (d) Dissolution under this section is complete on entry of  
16 the later of the two orders described by Subsections (b) and (c).

17 SECTION 6. This Act takes effect immediately if it receives  
18 a vote of two-thirds of all the members elected to each house, as  
19 provided by Section 39, Article III, Texas Constitution. If this  
20 Act does not receive the vote necessary for immediate effect, this  
21 Act takes effect September 1, 2011.



S.B. No. 310

David Newkirk  
President of the Senate

Joe Straus  
Speaker of the House

I hereby certify that S.B. No. 310 passed the Senate on  
March 31, 2011, by the following vote: Yeas 31, Nays 0.

Daisy Spaw  
Secretary of the Senate

I hereby certify that S.B. No. 310 passed the House on  
May 20, 2011, by the following vote: Yeas 149, Nays 0, one  
present not voting.

Robert Haney  
Chief Clerk of the House

Approved:

17 Jun '11  
Date

RICK PERRY  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
4:00pm O'CLOCK

JUN 17 2011

Hope McDevitt  
Secretary of State